

Title: House OKs Forestland Tax Change | The Atlanta-Journal Constitution
Description: GA House makes changes to how forestlands are taxed
Keyword: Taxes

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Timber barons and other owners of forestland would not have to sell their land to avoid hefty tax bills, under legislation the Georgia House passed Wednesday.

In a unanimous vote, the House passed a resolution to change the state constitution to tax forestland based on how it actually is used instead of on its potential development value. The measure, once passed, would go on the November ballot as a proposed constitutional amendment.

Speaker Glenn Richardson (R-Hiram), who usually does not speak for or against legislation, did so for this proposal. House Resolution 1276, and its companion, House Bill 1211, are sponsored by state Rep. Richard Royal (R-Camilla) and promoted by Richardson, who said he asked Royal to draft them. Richardson said he had studied the issue and found that "we were killing the forest industry in this state with our tax policies." The speaker said he had determined that "if we really wanted to have trees growing and in private hands and keep the forest industry up and running, we had to do something."

Environmental groups, agri-businesses and the forest industry back the measure. It would provide the tax breaks to owners of at least 200 acres of forestland.

Owners of 2,000 acres or less of undeveloped land already are buffered from tax increases if they agree not to subdivide and develop their land for at least 10 years. The proposed legislation would require a 15-year commitment, and it provides financial penalties for violations.

The proposal would cover an additional 150 or so timber owners, including corporations, and has the potential of keeping 5.3 million acres of Georgia forests intact. That is about 14 percent of the land in the state. The statistics were cited by Steve McWilliams, executive vice president of the Georgia Forestry Association, using research from the University of Georgia's Warnell School of Forestry and Natural Resources.

"A number of large forest landowners are approaching the point that they can't stay in the forestry business because they can't afford the taxes," McWilliams said. "When any kind of business can't afford to operate because they can't afford taxes, then we're in a bad way."

Georgia is the only Southeastern state that taxes forestland based on its market value — what it can sell for — rather than on its current use.

An advisory panel to Gov. Sonny Perdue proposed in 2004 changing the property tax on large landowners. In 2005, UGA and U.S. Forest Service researchers predicted conservatively that one-quarter of the state's timberland would be converted to subdivisions, commercial uses and roads by 2010.

The state would pay local governments about \$40 million a year to offset the lost property tax revenue.

Last year, the Legislature approved \$43 million of \$50 million Perdue had proposed to buy land for parks and wildlife management areas and to help local governments buy conservation easements on private property.

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